

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

DELTA NATURAL GAS COMPANY, INC.,)
APPLICATION FOR ADJUSTMENT OF)
RATES UNDER PURCHASED GAS) CASE NO. 7202-S
ADJUSTMENT CLAUSE)

O R D E R

On June 29, 1979, this Commission issued its Order in Case No. 7202, approving certain adjustments in the rates of Delta Natural Gas Company, Inc., ("Applicant") and providing under certain conditions for the further adjustments of rates when the wholesale cost of gas is increased, decreased or refunds are received.

On August 10, 1981, Applicant and its subsidiaries notified the Commission that it had received from three of its suppliers a wholesale gas rate revision to become effective September 1, 1981.

On August 4, 1981, the Applicant received from one of its suppliers, Columbia Gas Transmission Corporation ("Columbia"), notification of a rate increase effective September 1, 1981, as reflected on Columbia's Seventy-third Revised Tariff Sheet No. 16 and Twenty-first Revised Tariff Sheet No. 16A.

On July 24, 1981, the Applicant received from one of its suppliers, Columbia LNG Corporation ("Columbia LNG"), notification of a rate increase to be effective September 1, 1981.

On September 1, 1981, Applicant shall also experience an increase in the cost of gas purchased from the Wiehoff Well in Clay County, in accordance with the escalator clause in the contract of May 11, 1977, a copy of which is on file with the Commission.

The estimated annual net increase in revenue as a result of the Applicant's filing of August 10, 1981, is \$1,209,427 or \$0.31 per MCF.

The Applicant, in compliance with its tariff and previous Orders of this Commission, submitted with its notice certain information including verification of the rates and charges of its supplier.

After reviewing this evidence of record and being advised, the Commission is of the opinion and finds that:

(1) The Applicant received from one of its suppliers, Columbia, notification of a rate increase effective September 1, 1981, as reflected on Columbia's Seventy-third Revised Tariff Sheet No. 16 and Twenty-first Revised Tariff Sheet No. 16A.

(2) Effective September 1, 1981, Applicant shall experience an increase in the cost of gas purchased from Columbia LNG in the amount of .3150 cents per Mcf.

(3) Effective September 1, 1981, Applicant shall experience an increase of .02 per Mcf in the cost of gas from its supplier Wiehoff Well in Clay County.

(4) The Applicant proposed to apply to its customers, effective September 1, 1981, the revised rates as set forth herein.

(5) The Applicant's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 7202, dated June 29, 1979, is fair, just, and reasonable, in the public interest and should be effective with gas supplied on and after September 1, 1981, subject to approval by the Federal Energy Regulatory Commission (FERC).

IT IS THEREFORE ORDERED that the purchased gas adjustment sought by the Applicant as set out in Appendix A attached hereto and made a part hereof, be and the same, is hereby approved to be effective with gas supplied on and after September 1, 1981, subject to approval by FERC.

IT IS FURTHER ORDERED that within 30 days after the date of this Order, Applicant shall file with this Commission its revised tariff sheets setting out the rates approved herein.

IT IS FURTHER ORDERED that the information furnished this Commission by Applicant on August 10, 1981, constitutes full compliance with the Commission's requirement and Order in Case No. 7202, and any other information ordinarily required to be filed under this Commission's regulations is hereby waived.

Done at Frankfort, Kentucky, this 26th day of August, 1981.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE NO. 7202-S DATED AUGUST 26, 1981

The following rates and charges are prescribed for the customers in the areas served by Delta Natural Gas Company, Inc., and its subsidiary, Laurel Valley Pipeline Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the date of this Order.

RATE SCHEDULE G-GENERAL SERVICE

APPLICABILITY:

Applicable within all service areas served by Delta namely: Owingsville, Sharpsburg, Bath County, Camargo, Montgomery County, Frenchburg, Menifee County, Kingston-Terrill, Madison County, Stanton, Clay City, Powell County, Garrard County, Berea, Salt Lick, Midland, Nicholasville, Wilmore, Jessamine County, Jeffersonville, Clearfield, Farmers, Rowan County, Middlesboro, Pineville, Bell County, Barbourville, Knox County, Williamsburg, Whitley County, London, Laurel County, and environs of each.

AVAILABILITY:

Available for general use by residential, commercial, and industrial customers.

CHARACTER OF SERVICE:

Firm-with the reasonable limits of the company's capability to provide such service.

RATES:

Monthly Customer Charge:	\$2.50 per delivery point per Month
Rate requested effective September 1, 1981:	\$4.31 per MCF/Month
Rate to be applied September 1, 1981:	\$4.31 per MCF/Month

PURCHASED GAS ADJUSTMENT:

Delta Natural Gas Company, Inc.

Applicable to all rate schedules

The base rate for purchased gas for the future application of this Purchased Gas Adjustment Clause is:

<u>Supplier</u>	<u>Rate/MCF</u>
Columbia Gas Transmission Corp.	
Rate Schedule CDS	
Demand	\$2.44
Commodity	3.4613
Rate Schedule SGS	3.6217
Columbia LNG Corporation	5.3793*
*Includes Transportation Charge of \$0.2743	
Tennessee Gas Pipeline Company	
Gas Rate (Dth)	\$2.3526
Commodity	0.4520
Graham-Michaelis Corporation	\$1.75
Flat Lick	0.35
Evans	0.92
Wiehoff	1.39
Hall-Martin	0.40
Moser	0.92
Goff	0.40
Weaver	1.81
Robert Martin	1.75
Wiser Oil Company	\$2.17
John Owens	\$1.8288